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Before the
FEDERAL COMMUNICATIONS COMMISSION FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY
 Washington, D.C. 20554

In the Matter of)	
)	
Petition for Rulemaking Regarding)	CCB/CPD 01-12
Presubscribed Interexchange Carrier Charges)	<u>RM No. 10131 /</u>

REPLY COMMENTS OF VERIZON¹

None of the parties that filed in support of the Competitive Telecommunications Association ("CompTel") has cured the fatal defect in its petition – lack of any evidence whatsoever to support CompTel's speculative claim that the current tariffed charges for changing a customer's primary interexchange carrier ("PIC") are unreasonable. Instead, they simply parroted CompTel's bald allegation that the price is too high.

By contrast, the opposing parties have provided evidence to show that the current charge of up to \$5.00 is reasonable. Cincinnati Bell ("CBT"), for example, recounted the many steps involved in processing PIC changes to refute CompTel's claim that mechanized changes are costless. CBT at 3-4. Similarly, SBC showed that automated processing principally allows the PIC change to be accomplished more quickly, not necessarily at lower cost, than using manual processing. SBC demonstrated that, in any event, a substantial percentage of PIC changes still must be processed manually, despite CompTel's claim to the contrary. SBC at 3-5. SBC has also shown that *all* relevant costs must be considered in evaluating PIC change costs, including maintaining and operating the CARE mechanized system and responding to customer inquiries

¹ The Verizon telephone companies ("Verizon") are the local exchange carriers affiliated with Verizon Communications Inc. identified in the attachment.

regarding their PIC and possible slamming activity, not just the costs of actually changing the customer's PIC. *See id.* at 4-5. And Verizon showed that the cost information supplied with its most recent federal and state PIC change filings, and the findings in a recent state decision, fully support a charge of \$5.00. Verizon at 4-5.

Accordingly, there is no evidence at all in the record supporting CompTel's claim that the current PIC change charges are too high, and substantial evidence showing that the current \$5.00 "safe harbor" rate is justified and may even be too low.² Based on that record, there is no justification for initiating a new rulemaking on PIC change charges. The Commission should, therefore, deny CompTel's petition.

AT&T, besides failing to provide any evidence in support of CompTel's petition, raises additional claims that are likewise unsupported or are procedurally defective. For example, AT&T asks the Commission to adopt third party administration of the carrier change process. AT&T at 7-8. However, just over a year ago, the Commission examined and denied AT&T's identical proposal, concluding "that our revised rules will protect consumers more effectively than the third-party administrator proposed by the long distance industry." *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996, First Order on Reconsideration*, 15 FCC Rcd 8158, ¶ 50 (2000) ("Slamming Recon. Order"). AT&T has not provided any new information that would support a re-examination of that finding and, in fact, simply references its comments in that proceeding to support its request. AT&T at n.13. In

² Because the Commission already allows a carrier to justify a higher rate, Verizon is not asking for an investigation to increase the safe harbor.

any event, it is far too late for AT&T to seek reconsideration of that decision.³ Therefore, that portion of AT&T's comments should be dismissed as seeking reconsideration out-of-time.

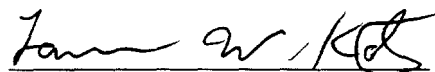
AT&T also wants the Commission to investigate those incumbent local exchange carriers' PIC switchback tariffs which impose an additional fee when a customer states that his or her presubscribed carrier was switched without authorization. *See id.* at 6-7. However, like CompTel, AT&T has proffered no evidence to support its allegation that the present charges are unreasonable, which they are not. Instead, AT&T merely speculates that "[i]t is entirely reasonable to expect" that costs have declined since they were initially established. *Id.* At 6. Clearly, more than idle speculation is needed to support a rulemaking request. In any event, Verizon does not impose such an additional fee in its tariffs.⁴

³ The Commission's order appeared in the Federal Register on August 3, 2000, so reconsideration petitions would have been due on September 5, 2000.

⁴ AT&T also collaterally attacks a Verizon tariff filing in Texas that assesses a charge on an allegedly unauthorized carrier upon receipt of a local service slamming complaint, while removing the toll charges from the customer's bill. *See* AT&T at n.12. This practice is consistent with the Commission's requirement "that an alleged unauthorized carrier must remove all charges assessed for the first 30 days of services from a subscriber's bill upon the subscriber's allegation that he or she was slammed." Slamming Recon. Order at ¶ 31. As billing agent of the allegedly unauthorized carrier, Verizon removes the billed charges from the customer's bill and switches the customer back to the prior selected carrier, charging the allegedly unauthorized carrier a nonrecurring charge. Verizon sends all of the information on the transaction to the allegedly unauthorized carrier. If the slamming complaint is later found to be invalid, the alleged unauthorized carrier may bill the end user the appropriate charges. This process is consistent with the Commission's requirements, and there is no basis for investigation.

Accordingly, the comments provide no justification for granting CompTel's petition,
which should be denied.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lawrence W. Katz", written over a horizontal line.

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July 2, 2001

THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the affiliated local telephone companies of Bell Atlantic Corporation (d/b/a Verizon Communications), including the telephone companies formerly affiliated with GTE Corporation. These are:

Contel of the South, Inc. d/b/a Verizon South Systems
GTE Midwest Incorporated d/b/a Verizon Midwest
GTE Southwest Incorporated d/b/a Verizon Southwest
The Micronesian Telecommunications Corporation
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Hawaii Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of July, 2001, copies of the foregoing "Reply Comments of Verizon" were sent by first class mail, postage prepaid, to the parties on the attached list.

Steven E. McPherson
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* Via hand delivery.

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